





# CALCASIEU PARISH

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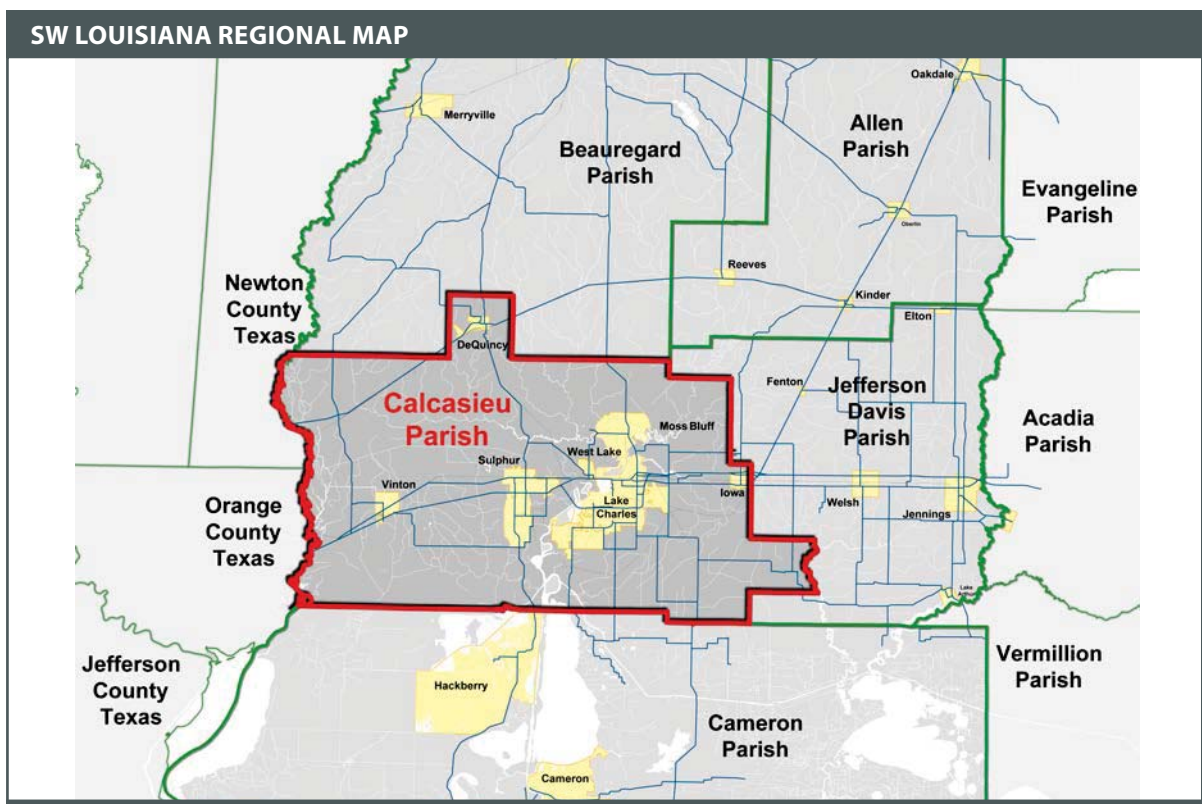
Calcasieu Parish is located in the southwest corner of the state, just north of Cameron Parish and west of Jefferson Davis Parish. The western boundary of the Parish is along the Sabine River which serves as a state boundary with Texas.



# Calcasieu Parish Housing Strategic Plan

## INTRODUCTION

Calcasieu Parish is located in the southwest corner of the state, just north of Cameron Parish and west of Jefferson Davis Parish. The western boundary of the Parish is along the Sabine River which serves as a state boundary with Texas. According to the US Census, Calcasieu has the largest population in SWLA with a July 1, 2013 estimated population of 195,296 residents. Calcasieu Parish is also the seventh largest parish in land area within the State.<sup>1</sup>



Calcasieu Parish's historical economic base has been rooted in the petrochemical, refining, public service, gaming, maritime, aviation, and oilfield support industries. The petrochemical and oil refining industries continue to lead the economic development for the parish with expansion and modernization of existing operations. These industries have been served by the three major transportation networks (vehicular, rail, and water). Major vehicular corridors include Interstate 10 and Hwy 90 (east-west) and Hwy 27 and U.S. 171 (north-south). Rail line corridors include Union Pacific Railway, BNSF, and Kansas City Southern. The Calcasieu River provides access to several industries in the Lake Charles Region before the Saltwater Barrier located north of Interstate 10.

With the realization of new economic development within SWLA, regional development efforts will be required to meet key demands on a variety of services including education and health care. Given the ongoing growth trends and added growth from economic development, the population of Calcasieu

<sup>1</sup> July 1, 2013 Population Estimate, U.S. Census Bureau

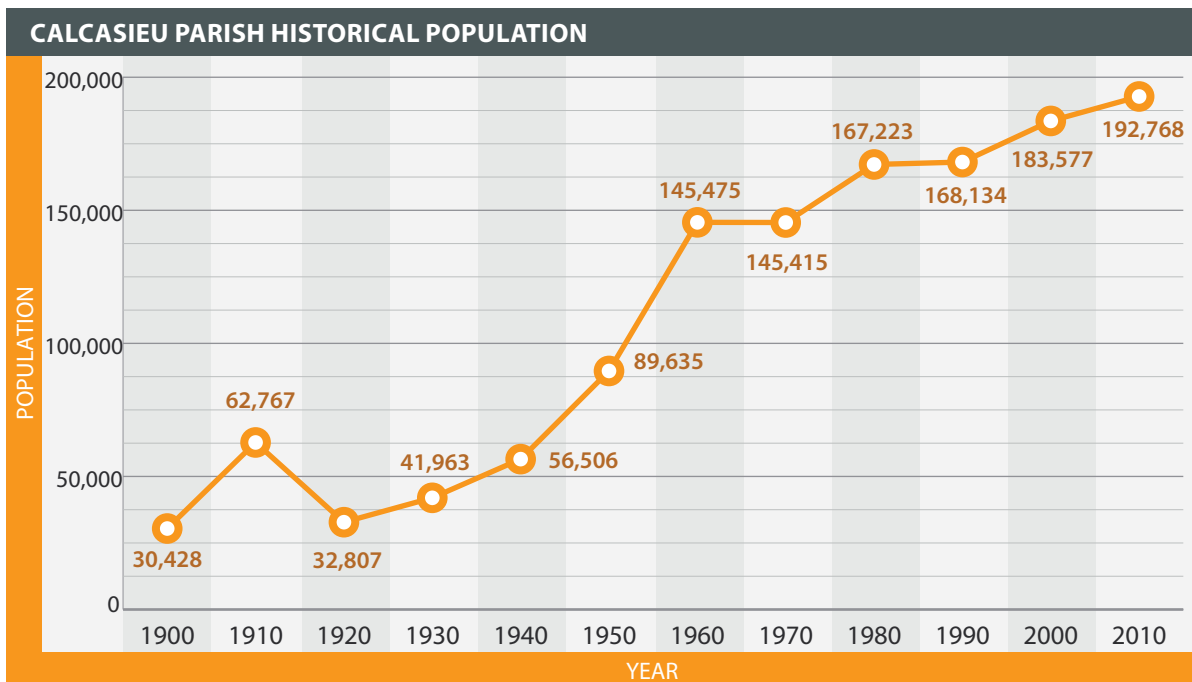
Parish will grow within all age groups. Consequently, the need for a variety of housing types at various price points will be pronounced.

The Calcasieu Parish educational system has consistently rated as one of the top districts in SWLA and within the top tier of the State. In 2014, out of the 71 school districts in Louisiana, Calcasieu Parish School District ranked 21st with a performance score of 94.2 and received a “B” letter grade. The performance ranking has improved every year since 2008. McNeese State University, established in 1939, provides opportunities for post-secondary education and has a long-standing tradition of service to the SWLA community. The SOWELA campus of the Louisiana Community & Technical College System offers a variety of associate’s degrees, technical programs, and certifications. The quality of the local educational system is important to housing because it will allow new migrants to reside in areas closer to jobs rather than commute from remote bedroom communities. The educational system offerings and successes are attractive to residents and visitors which are factors for economic development in the region.

### CURRENT TRENDS

From April 1, 2010 to July 1, 2013, the parish gained 2,528 residents. The vast majority of the gain was due to natural increase—the number of births minus the number of deaths. Calcasieu Parish made a small population gain through the net in-migration of residents from other areas. Calcasieu Parish gained 117 more residents moving into the parish than leaving the parish.

The growth trend observed from 2010 to 2013 is projected to continue through 2024 and that is before the economic development projects are considered! Between 2014 and 2024, Calcasieu Parish is projected to gain 10,082 residents.<sup>2</sup> This includes the addition of 2,150 children age 0-17 and the addition of 8,644 residents age 65 and over. Working age adults, age 18 to 64, will decline by 712 residents. The impact of the economic development successes in the region will be explored in the next section. This growth reflects the demographic future of the parish— assuming that current population trends remain constant.



<sup>2</sup> Population Projections developed by Louisiana Demographics, LLC

## POPULATION IMPACT FROM REGIONAL ECONOMIC DEVELOPMENT ACTIVITIES

### OVERALL ANNUAL POPULATION PROJECTIONS

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
197,204	198,256	204,494	209,235	213,450	213,013	214,080	213,974	215,721	218,415	219,406

Population projections developed by Louisiana Demographics, LLC

The Calcasieu Ship Channel is the hub of an unprecedented level of economic development activity. This indicates that the current population trends are unlikely to remain constant. The projected employment and population growth from regional economic development activities will be significantly larger than the level of current growth and is likely to have a significant impact on the long-term demography of Calcasieu Parish.

Population projections suggest that due to economic development alone, Calcasieu Parish will add 5,196 residents by 2016 and a total of 12,488 by 2024.<sup>3</sup> Given that new migrants to the area will be younger, working-age adults, the influx of population will more than offset the decline in working-age noted above. In addition, many new migrants will arrive to the region with school-age children or younger children, which will add to the projected growth in the 0-17 age group. In terms of households, a total of 2,070 new households are expected to move to Calcasieu Parish by 2016 and a total of 4,975 households are projected to be added to the population by 2024.

### THE POPULATION OF CALCASIEU PARISH WILL GROW WITHIN ALL AGE GROUPS AND THE NEED FOR HOUSING OF ALL TYPES WILL BE GREAT.

These projections suggest that regional development efforts will create key demands on a variety of services including education and health care. Given the ongoing growth trends and added growth from economic development, the population of Calcasieu Parish will grow within all age groups and the need for housing of all types will be great. Moreover, the median age of Calcasieu Parish residents is likely to decline due to the young age of new migrants to the area. These changes have important impacts on the need to attract additional retail and services marketed to a younger population.

In terms of race and ethnicity, the majority of Calcasieu Parish is Non-Hispanic White (68.9%).<sup>4</sup> Non-Hispanic African Americans comprise 24.9% of the population. Hispanic residents account for 2.9% percent of the population. Although the economic development efforts projected to impact this region will result in a relatively large number of migrants from other regions, the absolute size of the population

<sup>3</sup> Projections of the location of new population due to new employment from the SWLA Regional Impact Study

<sup>4</sup> July 1, 2013 Population Estimates by Age, Race, Sex, and Hispanic Origin, U.S. Census Bureau



The Calcasieu Ship Channel is the hub of an unprecedented level of economic development activity.

growth will not result in a major shift in the race and ethnic composition of the parish. Similar to other metropolitan areas, the growth in population will lead to an increase in race and ethnic diversity.

The projections listed here, and the anticipated employment growth due to the megaprojects slated to develop in the region, suggest that the parish will grow rapidly. Housing statistics indicate that the parish has a low vacancy rate among owner occupied homes—1.8% for Calcasieu Parish compared to 2.0% for Louisiana.<sup>5</sup> Rental vacancy rates are close to the statewide average—9.7% for Calcasieu Parish compared to 8.4% for Louisiana. This combination of trends leads to a clear conclusion that new housing units will be needed to satisfy demand.

<sup>5</sup> 2008-2012 American Community Survey

# Market Analysis

The Calcasieu Ship Channel is the epicenter for job growth associated with the industrial expansion projects announced in SWLA. The jobs that will result from the projects in and around Calcasieu Parish represent a real opportunity for the leaders of the Parish to shape the entire Parish for generations to come. Current housing inventory is insufficient to meet the needs associated with projected growth. Beyond housing, growth is expected to occur in most sectors of the community as this unprecedented level of job growth is realized.

**THE JOBS THAT WILL RESULT FROM THE PROJECTS IN AND AROUND CALCASIEU PARISH REPRESENT A REAL OPPORTUNITY FOR THE LEADERS OF THE PARISH TO SHAPE THE ENTIRE PARISH FOR GENERATIONS TO COME.**

## DEMAND DRIVERS

Calcasieu Parish has grown slowly and steadily over the last 20 years, averaging about 1% each year. This has come as a result of natural births exceeding natural deaths as well as a slight increase due to net in-migration. This follows national trends whereby people are leaving rural areas and becoming more concentrated in urbanized areas.

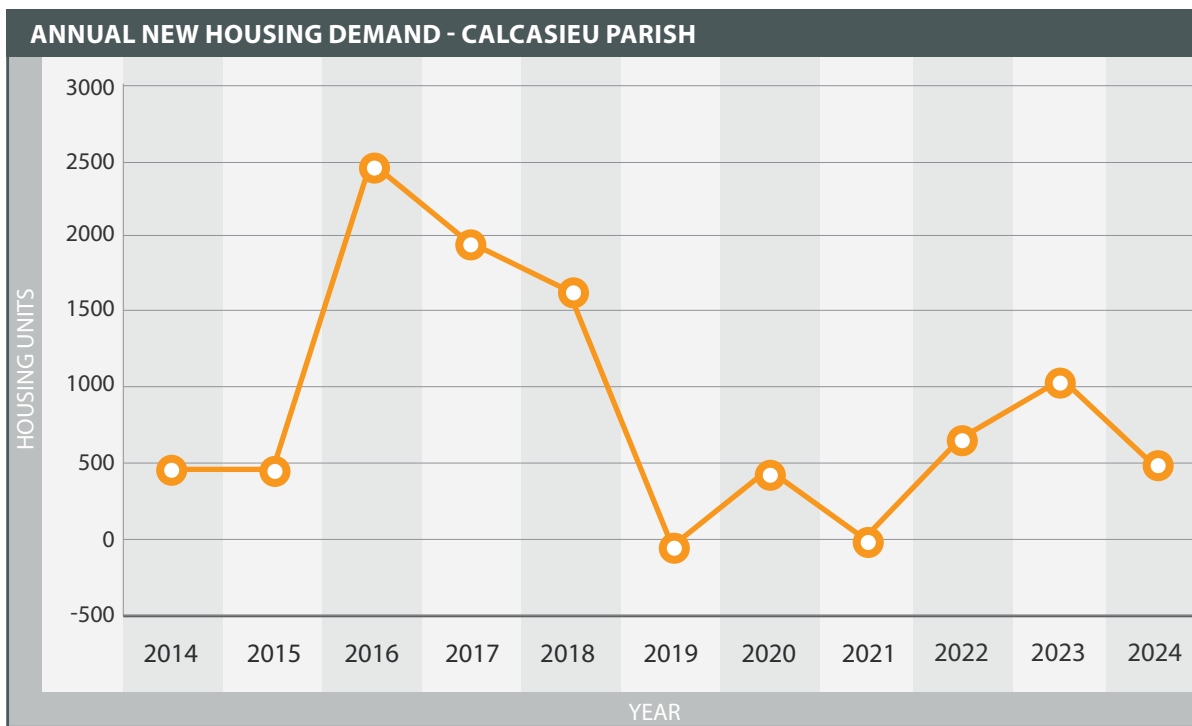
Looking forward, growth will be driven by jobs. Calcasieu Parish is forecasted to add over 25,000 new residents as a result of job growth associated with the industrial expansions. Because Calcasieu is at the epicenter of the growth and it is the most urbanized of the SWLA parishes, it will likely have a disproportionate share of the commercial and retail growth. The SWLA Regional Impact Study estimated that 86% of the overall economic impact related to the expansion projects would be concentrated in Calcasieu Parish.



## DEMAND MODEL

In order to predict what future demand may be, a statistical model was developed to help analyze historical trends, socioeconomic conditions, and future economic activity. In very simplistic terms, the model describes the most likely population scenario for the area assuming future behavior mimics the last five years. Because of this, the model should simply be one of the tools leaders use to inform decisions. It is by no means a deterministic predictor of the future.

The illustration below represents overall modeled demand for new housing units in Calcasieu Parish. The peak demand is expected to occur in 2016; in order to meet that demand, housing units would need to be available in advance of the demand actually occurring. If inventory is not available in advance, it is likely that overall housing prices will inflate and demand will migrate to the nearest areas that have supply, even if those areas are more remote.



## NUMBER OF NEW HOUSEHOLDS ESTIMATED

SINGLE FAMILY HOUSING PRICE	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$0 to \$100,000	47	58	377	342	335	38	72	-18	92	160	82
\$100,001 to \$125,000	15	17	113	102	100	12	22	-6	28	48	25
\$125,001 to \$175,000	35	43	283	256	251	29	54	-14	69	120	62
\$175,001 to \$225,000	27	33	214	194	189	22	41	-10	52	91	47
\$225,001 to \$300,000	20	24	159	144	141	16	30	-8	39	67	35
> \$300,000	23	28	182	165	161	18	35	-9	44	77	40
<b>TOTAL</b>	<b>167</b>	<b>203</b>	<b>1,327</b>	<b>1,203</b>	<b>1,178</b>	<b>135</b>	<b>254</b>	<b>-65</b>	<b>323</b>	<b>564</b>	<b>289</b>



In keeping with the current and historical trend of single family homeownership being about double the rate of renters, new single family homes represent the largest category of demand. The highest concentration of demand is found in homes priced between \$125,000 - \$225,000. This is well in excess of the median home value of \$118,300<sup>8</sup> and is a direct reflection of the quality of new jobs and associated rise in household income.

SINGLE FAMILY HOUSING RENTALS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$0 to \$600	6	6	28	22	19	-1	6	1	9	13	5
\$601 to \$800	3	3	13	10	9	0	3	0	4	6	3
\$801 to \$1,000	2	1	7	6	5	0	2	0	2	3	1
\$1,001 to \$1,500	1	1	6	5	4	0	1	0	2	3	1
> \$1,500	0	0	1	1	1	0	0	0	0	1	0
<b>TOTAL</b>	<b>12</b>	<b>11</b>	<b>56</b>	<b>43</b>	<b>38</b>	<b>-2</b>	<b>12</b>	<b>2</b>	<b>18</b>	<b>26</b>	<b>11</b>

There will be a moderate demand for single family homes as rentals. This demand will peak in 2016 with the construction jobs. It should also be noted that the number below is likely underestimated as it does not account for temporary construction workers that are successful in obtaining rental housing. In the event that Worker Villages are not able to meet the construction demand, or are not a preferred alternative for temporary workers, additional demand (and associated price increases) should be expected for the single family market.

MULTI-FAMILY HOUSING (2-4 UNITS)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$0 to \$600	22	19	84	65	58	0	20	6	29	40	19
\$601 to \$800	10	9	39	30	27	0	9	3	14	19	9
\$801 to \$1,000	6	5	22	17	15	0	5	1	8	10	5
\$1,001 to \$1,500	5	4	19	14	13	0	4	1	6	9	4
> \$1,500	1	1	4	3	3	0	1	0	2	2	1
<b>TOTAL</b>	<b>43</b>	<b>39</b>	<b>168</b>	<b>130</b>	<b>116</b>	<b>0</b>	<b>41</b>	<b>11</b>	<b>58</b>	<b>81</b>	<b>38</b>

Low density multi-family housing is not very common in Calcasieu Parish – it currently represents less than 5% of the overall housing stock. Partly because of the lack of existing inventory, the model predicts moderate low density multi-family demand. This category could be influenced dramatically by the influx of young workers as well as the aging population. The 25-34 year old age group has seen a steady decrease in its rate of home ownership as the millennial generation comes of age<sup>9</sup> at the same time baby boomers are seeking to downsize in order to enjoy retirement. Small scale developments should test the market for acceptance of concepts new and different for this area before building on a larger scale. Particular attention needs to be paid to affordability. While new developments may be marketed towards middle and high income families, over 75% of the demand is expected to be for units less than \$800/month.

The demand for high density multi-family dwellings, typically apartments, is very strong. This level of demand will require new developments across the Parish in order to meet the overall needs of the residents.

<sup>8</sup> 2010 US Census

<sup>9</sup> Making It Millennial, Deloitte University Press, April 2014

MULTI-FAMILY HOUSING (>4 UNITS)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$0 to \$600	108	83	466	256	173	-153	59	5	148	201	29
\$601 to \$800	51	39	218	120	81	-72	28	2	70	94	13
\$801 to \$1,000	28	22	121	67	45	-40	15	1	39	52	7
\$1,001 to \$1,500	24	18	104	57	38	-34	13	1	33	45	6
> \$1,500	6	4	25	14	9	-8	3	0	8	11	2
<b>TOTAL</b>	<b>217</b>	<b>166</b>	<b>934</b>	<b>513</b>	<b>347</b>	<b>-307</b>	<b>118</b>	<b>10</b>	<b>297</b>	<b>403</b>	<b>57</b>

Demand is strongest in 2018; however, new units are expected to still be needed through the end of the study period. Almost 50% of the overall demand is modeled to be for units costing less than \$600 per month. Satisfying the demand for low rent units without housing incentives may prove to be a significant challenge. As one may expect in the apartment market, demand decreases as pricing increases. This is typically because it becomes feasible to pay a mortgage note and accrue equity in lieu of paying rent at higher price points. While this holds true to some degree at lower price points, oftentimes credit worthiness becomes an issue, particularly in light of the more stringent lending requirements put in place after the 2009 recession.

The overall demand for housing in Calcasieu Parish is predicted to be robust across all housing types. In the short term, demand will likely manifest itself in whatever inventory is available, particularly if prices begin to rise rapidly. In the longer term, demand is expected to normalize to somewhat mimic the current housing diversity as the market reacts and provides the desired housing while also taking into account the needs and preferences of those migrating to the area.

Due to its size relative to the other parishes and the existing housing units (about 84,000<sup>10</sup>), Calcasieu Parish will be able to maintain much of its current character and quality of life while growing to provide the 9,000+ housing units that are expected to be required. Parish officials will be challenged to manage

## THE OVERALL DEMAND FOR HOUSING IN CALCASIEU PARISH IS PREDICTED TO BE ROBUST ACROSS ALL HOUSING TYPES.

the rapid growth that is coming while preserving all that makes SWLA special.

Overall, growth can be expected throughout Calcasieu Parish. Due to the relatively short commuting times and generally high quality of public education, most communities will see some level of growth. The magnitude of that growth will depend on the nature and quality of available housing, community amenities, and the overall character of the community. Ultimately, the individual needs and preferences of those moving to SWLA will drive their decisions on where to live.

It should be noted that if the market does not meet the demand, the region should expect higher purchase and rental costs, citizens displaced, increased homelessness, aged population left seeking alternative housing options (some of which may be undesirable), landowners option out of voucher programs. Other consequences will manifest as time passes.

<sup>10</sup> 2013 American Community Survey

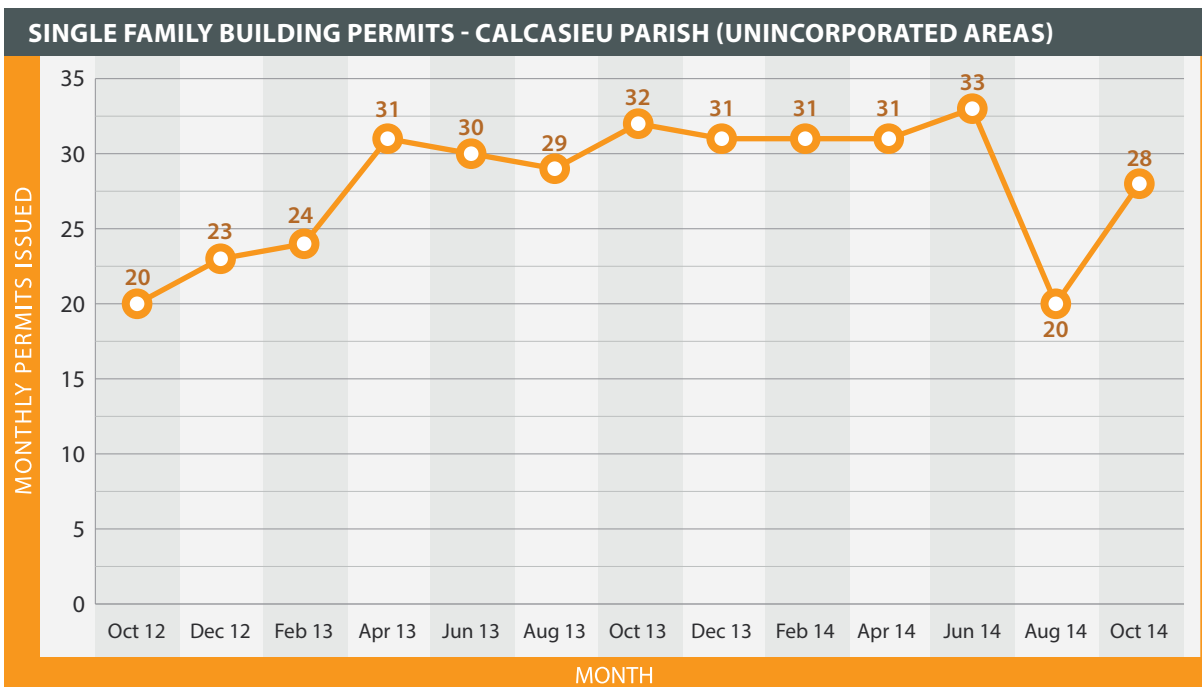
# Supply Analysis

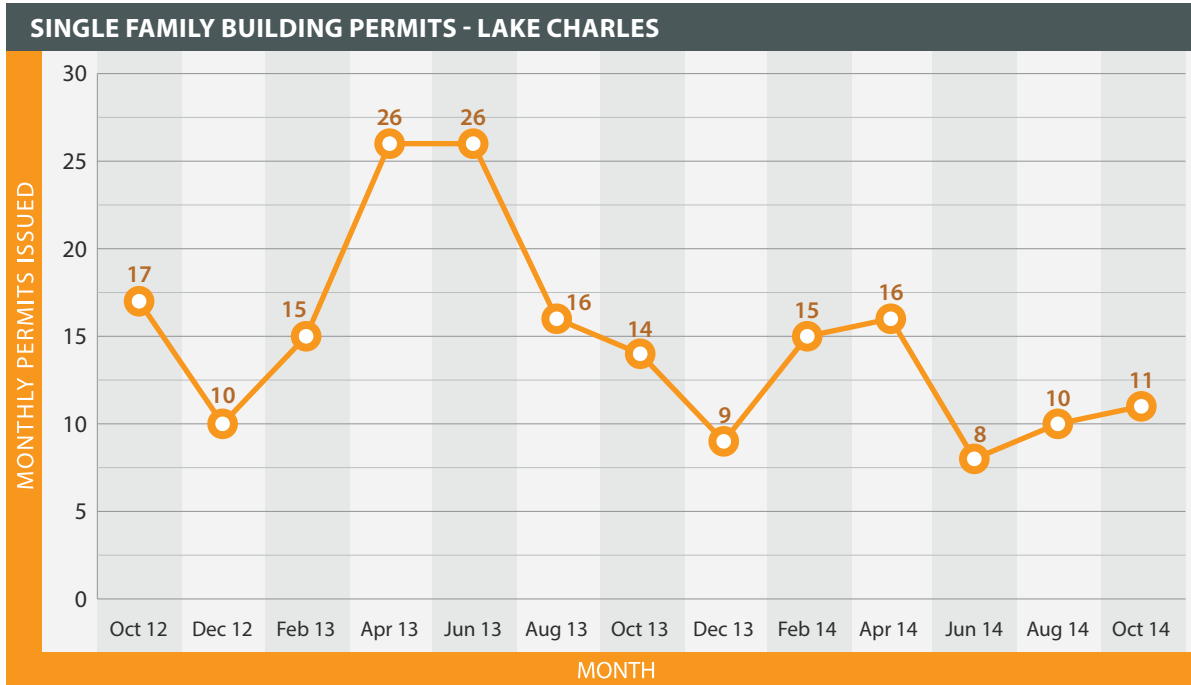
Recent development activity has increased in anticipation of the growth in demand. Several major developments have been announced or begun throughout Calcasieu Parish that will begin to meet major portions of the projected demand. Some of those include:

NAME	LOCATION	PLANNED HOMES
Belle Savanne	Carlyss	208 MFR, 1,100 SFR
Lakes/Village at Morganfield	Lake Charles	162 MFR, 2,500 SFR
Oak Grove	Lake Charles	440 SFR
Graywood	Lake Charles	173 SFR (additional)
Walnut Grove	Lake Charles	180 SFR
Beau Blanc Subdivision	Lake Charles	238 SFR
Audubon Trace	Moss Bluff	600 SFR

There are many other smaller projects that are not listed spread throughout the Parish. Additionally, there are potential projects that have filed a preliminary plat that have taken no additional action. As the number of planned homes above demonstrate, the development community is acutely aware of the projected growth in the area. These projects, along with others in early planning phase, will be critical to meeting the overall needs.

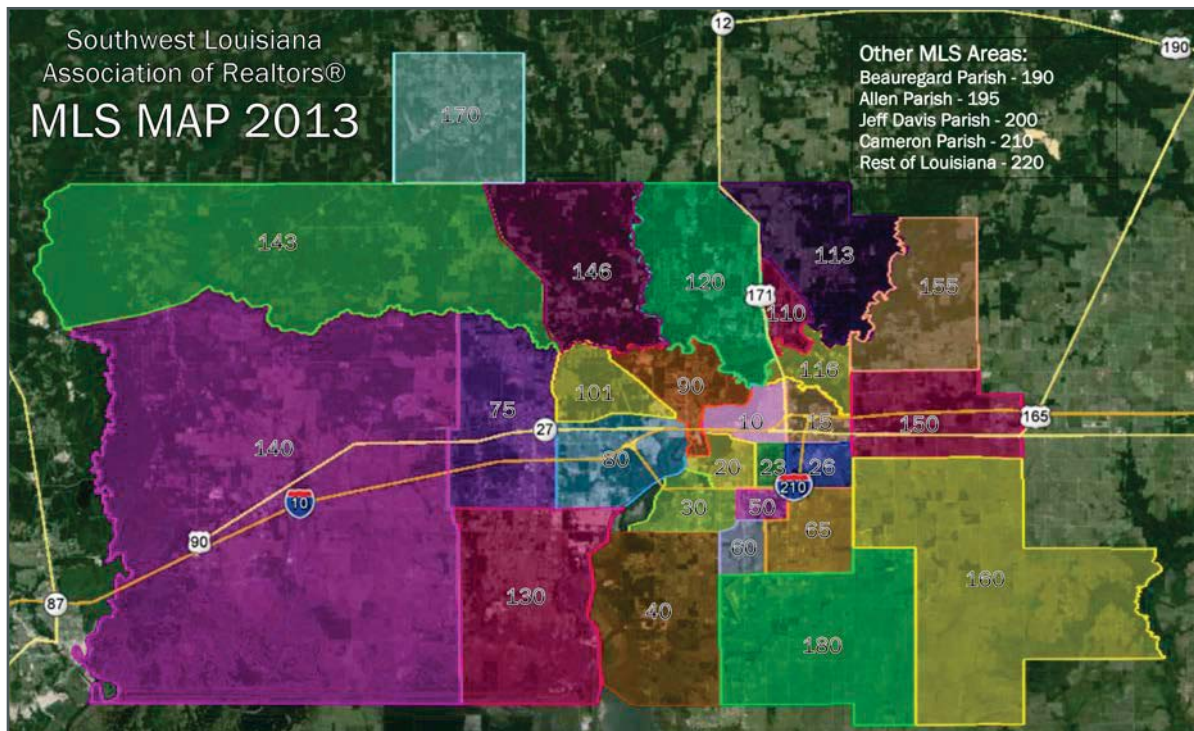
Unfortunately, not all planned projects will come to fruition. Accordingly, it is important to track building permits in addition to monitoring overall development activity. The chart below shows single family





building permit trends in Calcasieu Parish (Unincorporated Areas) and in the City of Lake Charles over the last two years.

According to the data provided<sup>11</sup>, permitting actually slowed in the period from November 2013-November 2014 compared to the same period the year prior by 9%. While there is no clear explanation, this trend is certainly worth monitoring in the coming year. Overall, about 600 single family permits were issued annually in Calcasieu Parish.



<sup>11</sup> Sources include permitting offices of each Calcasieu municipality and Calcasieu Parish Police Jury

MLS AREA	NEW	SALES	SALES VOLUME	AVG SALE PRICE	NEW	PERCENT CHANGE	SALES	PERCENT CHANGE	SALES VOLUME	PERCENT CHANGE	AVG SALE PRICE	PERCENT CHANGE
AREA 10	39	12	\$1,086,199	\$90,517	59	51.3%	26	116.7%	\$2,005,500	84.6%	\$77,135	-14.8%
AREA 15	20	6	\$402,900	\$67,150	12	-40.0%	11	83.3%	\$977,000	142.5%	\$88,818	32.3%
AREA 20	202	137	\$16,325,383	\$119,163	197	-2.5%	161	17.5%	\$21,759,690	33.3%	\$135,153	13.4%
AREA 23	116	85	\$5,329,015	\$62,694	104	-10.3%	77	-9.4%	\$6,355,068	19.3%	\$82,533	31.6%
AREA 26	12	8	\$348,500	\$43,563	20	66.7%	9	12.5%	\$529,800	52.0%	\$58,867	35.1%
AREA 30	227	175	\$40,586,453	\$231,923	205	-9.7%	166	-5.1%	\$42,453,111	4.6%	\$255,742	10.3%
AREA 40	187	140	\$32,830,137	\$234,501	202	8.0%	131	-6.4%	\$34,247,284	4.3%	\$261,430	11.5%
AREA 50	99	83	\$7,038,828	\$84,805	103	4.0%	66	-20.5%	\$5,815,048	-17.4%	\$88,107	3.9%
AREA 60	87	83	\$14,268,523	\$171,910	89	2.3%	79	-4.8%	\$13,339,950	-6.5%	\$168,860	-1.8%
AREA 65	27	18	\$3,325,500	\$184,750	25	-7.4%	17	-5.6%	\$2,464,499	-25.9%	\$144,971	-21.5%
AREA 70	32	25	\$3,626,513	\$145,061	21	-34.4%	20	-20.0%	\$2,758,300	-23.9%	\$137,915	-4.9%
AREA 75	81	59	\$6,297,520	\$106,738	95	17.3%	66	11.9%	\$7,500,110	19.1%	\$113,638	6.5%
AREA 80	147	125	\$18,269,513	\$146,156	137	-6.8%	119	-4.8%	\$19,777,811	8.3%	\$166,200	13.7%
AREA 90	121	92	\$12,333,705	\$134,062	111	-8.3%	83	-9.8%	\$11,210,230	-9.1%	\$135,063	0.7%
AREA 101	28	21	\$3,295,956	\$156,950	25	-10.7%	19	-9.5%	\$3,176,872	-3.6%	\$167,204	6.5%
AREA 110	58	46	\$9,060,580	\$196,969	77	32.8%	51	10.9%	\$11,621,465	28.3%	\$227,872	15.7%
AREA 113	12	10	\$1,201,500	\$120,150	14	16.7%	10	0.0%	\$1,792,000	49.1%	\$179,200	49.1%
AREA 116	18	10	\$974,050	\$97,405	18	0.0%	13	30.0%	\$2,204,400	126.3%	\$169,569	74.1%
AREA 120	206	155	\$32,566,528	\$210,107	199	-3.4%	161	3.9%	\$34,046,154	4.5%	\$211,465	0.6%
AREA 130	84	48	\$8,831,550	\$183,991	76	-9.5%	56	16.7%	\$12,391,703	40.3%	\$221,280	20.3%
AREA 140	56	48	\$5,160,002	\$107,500	50	-10.7%	23	-52.1%	\$2,548,334	-50.6%	\$110,797	3.1%
AREA 143	4	2	\$89,000	\$44,500	6	50.0%	3	50.0%	\$352,000	295.5%	\$117,333	163.7%
AREA 146	7	8	\$1,233,900	\$154,238	6	-14.3%	1	-87.5%	\$174,900	-85.8%	\$174,900	13.4%
AREA 150	64	41	\$5,432,136	\$132,491	65	1.6%	53	29.3%	\$8,375,073	54.2%	\$158,020	19.3%
AREA 155	0	1	\$157,000	\$157,000	4	400.0%	0	-100.0%	\$0	-100.0%	\$0	-100.0%
AREA 160	67	39	\$7,673,600	\$196,759	34	-49.3%	41	5.1%	\$8,127,262	5.9%	\$198,226	0.7%
AREA 170	48	27	\$2,520,100	\$93,337	44	-8.3%	26	-3.7%	\$3,717,160	47.5%	\$142,968	53.2%
AREA 180	29	19	\$3,863,317	\$203,332	32	10.3%	24	26.3%	\$3,749,020	-3.0%	\$156,209	-23.2%

New construction is not the only means to meet the projected demand. An analysis of the existing home sales market is necessary as well. The following data for single family homes was provided by the SWLA Association of Realtors.

Interpreting the data, sales and listing volumes were relatively flat year over year. The average sales price however, rose 8.7% and the overall sales volume rose 7.9%. This would indicate that while supply and demand were relatively stable year over year, prices were steadily increasing. One of the primary indicators of the overall health of the real estate market is “months inventory”. This statistic is derived by dividing the number of homes listed for sale by the average monthly sales. In general, 6 months of inventory is considered to be a balanced market. As of January 2015, there were 469<sup>12</sup> single family homes listed for sale. When considering 1,512 homes sold in 2014, current inventory represents 3.72 months of inventory. Actual inventory is slightly higher as many homes that are under construction or were built as spec homes are not listed; however, the low months inventory number supports the sales price.

Data was also provided by the Lake Charles Apartment Association. The Association surveys its members on a regular basis to identify trends in the multi-family market. The membership represents 23 apartment complexes in Lake Charles with a total of 3,729 units. The vacancy rate decreased from 11% to 9% between January and October 2013. A more subjective measure of reported traffic, or interest, showed a slight increase with one unit reporting a change from steady to busy over that same period. While the data was insufficient to analyze for changes in monthly rentals, many of the apartment managers and owners reported planned price increases when questioned. The decline in vacancy rate would support such an increase.

Several multi-family projects are either planned or underway, the largest of which is the Belle Savanne complex near Sulphur with 208 units. Other projects are scattered throughout the area. It is estimated that total units under construction is about 700. A significant number of additional developments will be required to meet the demand. This shortage could be exacerbated if large blocks of apartments are reserved by industry and its contractors, which is believed to be happening.



<sup>12</sup> www.realtor.com